

2. The Examiner has maintained that the evidence as submitted with Applicant's 1.131 declaration is insufficient to establish diligence from a date prior to the date of reduction to practice of the Smith reference to either a constructive reduction to practice or an actual reduction to practice. In particular, the Examiner has stated that:

Applicant's evidence does not show a reduction to practice of the content scarcity and content authentication portions of the claimed invention. Applicant's evidence shows the notion of searching for a rare card and states that this is support for content scarcity. Further applicant's evidence shows finding a missing card at a local trade card store and states that this is support for content authentication. Card scarcity can be generated by user skill, timing, copy protection, limited manufacturing, and random distribution of partial sets (specification, pages 11-12, 15). Card authentication can be accomplished with encryption (specification, page 12, lines 12-13). The evidence submitted does not discuss these concepts of card scarcity and card authenticity. Further Applicant's submission of the Declaration of Counsel and the tapped (sic) correspondence with counsel has failed to establish diligence in reduction to practice because nowhere in the above mentioned submissions is card scarcity and card authentication discussed or disclosed.

Applicant respectfully disagrees.

Applicant once again respectfully requests that the Examiner carefully consider the evidence cited by the Applicant as supporting Applicant's contention that the Smith reference is avoided pursuant to the 37 CFR 1.131 Declaration of record. Rather than repeating in this document the full text of Applicant's previous submissions,

5 Applicant asks that the Examiner carefully review Applicant's response dated 5 May 2003.

In particular, Applicant directs the Examiner to the discussion beginning on page 3, line 4. Applicant notes that nowhere in the present Office Action does the Examiner

10 address Applicant's argument in any substantive way. Rather, the Examiner merely states "the evidence submitted does not discuss these concepts of card scarcity and card authenticity."

How can this be?

15 The evidence of record talks about a "rare" movie card. Applicant has pointed out that the word "rare" is synonymous with the word "scarce." The Examiner has not contradicted Applicant's statement and has not in any way addressed the substance of Applicant's statement.

20 Applicant has also provided numerous other examples in the above-mentioned Response. Applicant has pointed out the similarities between the supporting material in the Declaration and the Specification (see page 5 of Applicant's above-referenced Response). For example, the discussion on page 22 in the application as originally

filed concerns a "rare movie card" which is identical to that described in document BC2 of the 1.131 Declaration. The Examiner has not commented on the adequacy of this supporting information, or pointed at how it fails to disclose "scarcity" when it is clearly concerned with scarcity, and where the language in the Specification is
5 identical to that in Applicant's supporting materials.

The Examiner is referred to Applicant's supporting documentation. In particular, in document BC2 dated 12/4/94, on the page entitled "Card Activities," item number 6 states that "[Jason]... has a set of ten completed Castle Quest cards-each
10 personalized with his name. Only those who have solved Castle Quest have such a set of ten clue cards. Jason is the envy of his friends at school." (Emphasis added) Clearly only those who have solved Castle Quest have a completed set of Castle Quest cards. The completed set of cards is scarce and that is why Jason is the envy of friends at his school.

15 Applicant sees no further need to produce any additional evidence on the point of having had possession of the invention and having reduced the invention to practice. Applicant has carried its reasonable burden of proof. This theme is carried on in Applicant's document on further pages under the title "Card Collecting Period." The
20 Examiner is also referred to document C4, dated 9/7/94, which shows a security screen, which concerns the issue of authenticity; and Document C8, dated 9/7/94, which concerns e-card security.

The Examiner is again referred to the decision of the Board of Appeals in the parent application to this application. With regard to diligent reduction to practice the Board noted that "...we agree with counsel's statement that, that..."[i]t is not unreasonable to expect the preparation of a patent application to take the interval from December 2, 1994 until March 6, 1995..." The Board of Appeals then suggested a Declaration of Counsel be provided setting forth the dates for establishing progress towards such filing. Applicant has provided such Declaration. However, on this account the Examiner has taken the position that the submission of the Declaration of Counsel..."has failed to establish diligence of reduction to practice because no where in the above-mention submissions is card scarcity and card authentication discussed or disclosed." In fact, the patent application is acknowledged by the Examiner to contain such information. It is the patent application that was prepared by counsel during this period where supposedly there was no diligence. Counsel's preparation of the subject application effects constructive reduction to practice.

The Examiner maintains that the evidence does not support the concepts of card scarcity and card authenticity, although Applicant has painstakingly pointed this out and discussed this with the Examiner. Further, there is no requirement that the reduction to practice of counsel showing the time lapse was reasonable in the preparation of a patent application should show any further reduction to practice on the part of the Applicant. Diligent reduction to practice is established for the Applicant in Applicant's supporting documents. Counsel's statement merely establishes that the time necessary for proper preparation of a patent application did not result in a lack of diligence on the part of Applicant.

Applicant has established beyond any reasonable doubt that Applicant was in possession of the invention at the critical dates with regard to the Smith reference and that Applicant diligently reduced the invention to practice. The burden is not on
5 Applicant to provide any additional evidence in support of this position. The presumption of adequacy belongs to Applicant and it is up to the Examiner to establish the inadequacy. The Examiner is reminded that the Applicant is given the benefit of the doubt in such cases. A mere conclusory statement is not evidence of inadequacy. The Applicant refers the Examiner to page 2, Item 3 (page 2) of the
10 Office Action. The Examiner is incorrect in insisting that some different level of diligence be exhibited, *i.e.* diligent reduction of practice requires a showing in addition to that in the supporting materials and that in the patent application prepared which resulted in constructive reduction to practice. If additional evidence is required by the statute, Applicant requests that the Examiner identify what is
15 meant by such additional information because Applicant is unaware of any requirement in the statute or the MPEP for such information.

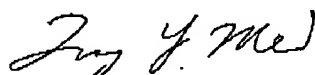
3. Applicant submits herewith a new claim (Claim 38). No new matter is entered by submission of this claim.

20 4. Should the Examiner deem it helpful he is urged to contact the applicant's attorney, Michael A. Glenn, at (650) 474-8400 to discuss this matter. Applicant earnestly solicits the Examiner's review of Applicant's previous submissions and reconsideration of the holding with regard to the 131 Declaration. As for the other

grounds of rejection, applicant deems these grounds to rejection moot as they are all based upon combinations of references of which the Smith reference is one or they otherwise refer to dependent claims, which the Applicant considers to be allowable in view of their dependency on allowing base claims.

5

Respectfully submitted,



Ivy Y. Mei

10

Attorney for Applicant

Reg. No. 46,925

Customer No. 22862